



Wong, Caroline, KIm, Jai-Beam, & Matthews, Judy H. (2010) *Managing creativity and its paradoxes in the film industry*. In: 2010 INBAM Conference: Creativity and Innovation in an International Context, 1 to 4 June, Valencia Spain.

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Managing creativity and its paradoxes in the film industry

Purpose: The purpose of this paper is to illustrate the various types of paradoxes underlying the nature of creativity, which in turn affect the foundations of organizations and organization change in the 21st century. The film industry best illustrate the interaction of such paradoxes, creativity and organizational change. This paper examines how small and medium-sized firms in the emerging Singapore film industry stay competitive by managing or not managing these paradoxes.

Design/methodology/approach: The study reported in this paper explores the opinions, attitudes and experiences of key decision-makers in the Singaporean film industry.

Findings: This paper introduces the idea that an analysis of the various paradoxes driven by creativity in today's society provides hints on a deeper understanding of organizational change and development in the 21st century.

Practical implications: The findings indicate that managers need practical tools that will enable them to comprehend and better manage these emerging contradictions and fully understand the implications of paradoxical situations and organizational change.

Research limitations: The distinctive nature of the Singaporean firms means that certain factors examined may be more or less significant in the film industry in other countries.

Originality/value: The value of this paper lies in the knowledge that paradox considerations are becoming significant in understanding pluralism and the processes of organizational change.

Paper Type: Case study

Key Words: Creativity, Paradox, Organisational Change, Creative Industries, Competitive Advantage

1. Introduction

Organizational change is at the foundation of organizations in the 21st century. Creativity represents a decisive source of competitive advantage (Florida, 2002) in the economy marked by a gradual shift towards an informational, knowledge and symbolic form of production (Banks et al., 2000). Creativity is central to the creative industries as it plays the equivalent role in these industries to that of innovation in other sectors of the economy (Towse, 2001). The work environment and context are key influences in developing or inhibiting creativity in the workplace (Banks et al., 2000). The work environment includes the interactions of managers and employees in the organization.

The emergence and profile of the creative industries has been raised due to the economic value attached to cultural and creative products, which were to form the commercializable applications of creativity (Hartley, 2004). The creative industries have taken centre stage in recent years and have become one of the biggest employers for both creative & non-creative people in many advanced economies, generating significant revenue and growing faster than most other sectors (DCA, 1994; Boorsma, 1998; Greenhalgh, 1998; Throsby, 1998; Gibson, 1999; Caves, 2000). These cultural product sectors are showing annual growth rates of between 5 to 20% (Creative Clusters, 2004).

The film industry is one of 13 sectors that make up the creative industries (DCMS, 1998) and is closely associated with the new economy in the 21st century in that it has a project-based nature, largely organised as networks of knowledge and creativity-based teams and individuals (DeFillippi & Arthur, 1998). Firms or production houses in this industry compete in an external environment marked by extreme uncertainty and unpredictability (De Vany, 2004) and creativity is regarded as a viable competency which helps firms adapt to a changing environment (Wernerfelt and Karnani, 1987). Thus, it cannot be easily substituted or imitated providing a source of sustainable advantage for those firms who possess it (Barney, 1991; Mahoney and Pandian, 1992).

There has been a global trend towards viewing the role of cultural products as leader and catalyst with the capacity to enhance economic and social wealth and the pervasive belief that cultural and creative industries should engage in economic, developmental and strategic planning toward self-sufficiency (Craik, J., McAllister, L & Davis G., 2003). There is a certain paradox associated with the increased convergence of cultural products (often imbued with imaginative aesthetic and semiotic content) with economics, which subject these products to the discipline of profitability criteria and market signals (Scott, 2000, p.30). Inherent in the nature of these cultural products are various types of paradoxes that affect the foundations of organizations and organization change in the 21st century. This has great implications for managerial and organizational development of firms in the cultural economy.

For years, the labour services in the creative industries have taken on Karl Marx 's arguments of viewing labour services as "inalienable", of having a value that goes beyond a clear price mechanism and one that encompasses a social or psychological component (Bourdieu, 1977). However, the creative industries are no longer perceived as an autonomous, indirect contributor to the growth of the economy. Research in sociology, urban geography and cultural studies has increasingly pointed out the convergence of culture and the global market place and the term 'late capitalism' was used (Fry, 1998; Negus, 2002; Soar, 2002).

This paper adopts a pluralistic approach to analyse the various paradoxical considerations inherent in the creative industries where creativity flourishes. The film industry best illustrates the interaction of such paradoxes which in turn affect the foundations of organisations and

organizational change. This paper examines how small and medium-sized firms in the emerging Singapore film industry stay competitive by managing or not managing these paradoxes.

First, we outline the methodology used in gathering the findings for this study. Second, we discuss the relationship between creativity and paradox in the light of organisational change. Third, we provide a backdrop to the Singapore film industry and analyse the key paradoxes of creativity using findings from the Singapore film industry as the context to draw implications for organizations and organizational change. Finally, we look at implications for organisational practices and develop propositions for further research.

2. Design/methodology/approach

The study reported in this paper explores the opinions, attitudes and experiences of key decision-makers in the Singaporean film industry: local and foreign feature filmmakers, independent filmmakers, animation filmmakers, government funding bodies and cultural institutions, private cultural institutions, film distributors and suppliers, and film training schools.

Data were collected from 34 representatives of major film production houses, government representatives and multinational firms (see Table 1 in Appendix 1). While the subject matter did not require the use of a methodology that leads to generalisable and quantifiable outcomes, three main tools were used to produce meaningful research outcomes from qualitative research, namely:

1. In-depth interviews with major film production houses as well government representatives
2. An online questionnaire with a mix of closed and open-ended questions
3. Secondary data collection of published commentary and analysis linked to the production houses and film industry in Singapore. Sources include archival material, such as newspapers (online), press releases from government agencies and ministries, trade magazines, book publications, web sites of production houses and relevant agencies and institutions in Singapore.

3. Creativity, Paradox and Organizational Change

The importance of ‘creativity’ as a key resource in the knowledge economy has been the interest of current research on geography, urban and regional planning. Creativity forms the basis of technological and social innovation as it has the potential for wealth and job creation through the generation and exploitation of intellectual property (DCMS, 1998). Creativity results in new ideas that are materialised as a product, process or experience.

According to Howkins (2001:xiv), “the creative economy consists of the transactions in these creative products”. Data gathered by various agencies in different countries suggests that sectors which produce symbolic (cultural) products and services contribute remarkably to overall economic output, and provide employment to a growing number of people (European Commission, 2005). Most often these sectors are called ‘creative industries’ (Jurisson, 2007). Amabile (1988) views that ‘creativity is one of the driving forces of human progress.

Paradox can be defined as “contradictory yet interrelated elements – elements that seem logical in isolation but absurd and irrational when appearing simultaneously” (Lewis, 2000, p.760). In organizational studies, some researchers define paradox as contradictions embedded within a statement (e.g. Murnighan & Conlon, 1991), human emotions (e.g. Vince & Broussine, 1996) or organizational practices (e.g. Eisenhardt & Westcott, 1988). Beech, Burns, Caetecker, MacIntosh & Maclean (2004) argues that living with paradox is not necessarily the worst option.

They see paradox as a positive way of confronting problematic change situations and regard paradox as an invitation to act rather than seeking to ‘think oneself out of the problem’ (p.1329). Eisenhardt and Westcott (1988, p.170) substantiates that “the contribution of paradox to management thinking is the recognition of its power to generate creative insight and change.”

Paradox and creativity are quite fundamental to organizations and organizational change in the 21st century. In so doing, conceptual tensions and paradoxes play an important role in helping the management discipline to mature (Fabian, 2000). Cameron and Quinn (1988) contend that paradox offers a potentially powerful framework for examining the impacts of plurality and change, aiding understanding of divergent perspectives and disruptive experiences. All these researchers have examined how contradictions both hamper and encourage organizational development (Lewis, 2000, p.760).

Ford & Backoff (1988, p.89) highlights overarching characteristics of paradox by defining paradox as “some thing that is constructed by individuals when oppositional tendencies are brought into recognizable proximity through reflection or interaction.” Firstly, as some ‘thing’, a paradox may denote a wide variety of contradictory yet interwoven elements: perspectives, feelings, messages, demands, identities, interests or practices (Lewis, 2000). Secondly, paradoxes become apparent through self or social reflection or interaction that reveals the seemingly absurd and irrational coexistence of opposites (Lewis, 2000, p.761). We believe that both are fundamental to organizations and organizational change in the 21st century. The purpose of this paper is to analyse the key paradoxes that creativity helps accelerate, and the implications for organizations and organizational change.

4. Creativity and the Singapore film industry

Singapore had a ‘golden age of cinema’ in the 50s and 60s especially in Malay films (Uhde et al., 2000). The period after Singapore’s independence in 1965 saw a decline in film production. The next twenty years saw the Singapore government focusing on economic development and the challenge of changing the country’s status from a developing country to that of a newly industrialized one. As a result, Singapore was probably the only country in South-east Asia without a filmmaking industry of its own in the 70s and the 80s.

In the late 20th century, policy makers in Singapore responding to global developments in the creative industries saw the movie industry as a motor of economic development and seeks to rebrand Singapore’s image from a conservative society to a ‘new Asian creative hub’ (ERC Report, September 2002, p.8). The Government acknowledged the need to forge an environment that is conducive to innovation, new discoveries and the creation of new knowledge and one that harnesses intangibles such as ideas, knowledge and expertise to add value and create new value in the knowledge economy (Ministry of the Arts and Information, Renaissance City Report, 2000). Government’s efforts to expand the services sector included identifying filmmaking as a service industry and a potential economic growth area. The Singapore government was keen to use content and creativity to enter the next wave of development.

Due to the focus given to the media sector in the last decade, Singapore has successfully attracted firms to the creative sector. The latest directory of MDA has a listing of about 294 media firms in Singapore consisting of film, animation and games production houses whose portfolios include features for television programs, documentaries, dramas, commercials, special effects, animation and feature film production, and postproduction work (MDA Website). A total of 53 foreign media companies have also set up regional headquarters or hubs in Singapore since

2003, providing job opportunities in Singapore's creative sector (MICA Press Release, August 28, 2007).

Many of the production houses in Singapore are small to medium-sized firms ranging from independent producers to firms that have less than twenty permanent staff members. The numbers tend to increase during production times. Due to the small size of the local market, quite a number of the production houses are involved with both feature film and animation film production and increasingly use digital technology in their production and postproduction work. Their diverse portfolios include features for television programs, documentaries, dramas, commercials, special effects, animation and feature film production, and postproduction work.

Knowledge transfer is seen as the key in helping to transform the Singaporean film industry from its marginal status in the global circuit of film production and distribution to that of a regional hub for international film production and distribution with state-of-the-art media production and postproduction facilities (Tan et al., 2003). The role of knowledge in value generation has long been recognised (Hayek, 1945) especially in creative industries and value creation in the creative industries is based on intellectual content in the form of texts, music, media and script et cetera (Caves, 2000; Scott, 2000). The data collected from the Singapore film industry illustrates that there is a wealth of knowledge embedded in creative resources such as creativity, experience and reputation which represent the creative inputs seen as crucial in creating a good product in the film industry - in this case, a good script for filmmaking:

Film has the characteristics of both a service and an experiential product¹. Its value is primarily dependent upon the perceptions of the end users and their key buying criteria as much as on the creation of original content (Bilton & Leary, 2002). The finished products in the film industry in the form of a design, script, and video or software application are the results of a collaborative process that involves many different individuals and specialized operations. The network element is an important part of the creative process as a shared pool of talents and knowledge is brought together to bring about idea generation. It is not uncommon that tacit knowledge and ideas are shared among firms such that they can build on their accumulated memories and experiences (Bilton, 2007). To be sustainable, firms in the industry have to display capabilities such as knowledge, skill, experience which reflect the types of knowledge-based resources that are likely to contribute most in an uncertain, changing and unpredictable environment (Miller & Shamsie, 1996) such as the film industry. These intangible resources play a key role in organisations as they draw on innovation, creativity, flexibility and responsiveness, qualities indicative of the cultural and creative industries (O'Connor, 2006).

The data collected from the Singapore film industry suggests that employees' and managers' creativity makes an important contribution to organizational innovation, competitiveness and innovation. The data suggests that filmmaking involves making creative calls, which translates into sometimes subjective, spontaneous and even arbitrary decisions. At the firm level, creativity can be influenced by external and internal structures. At the industry level, external stimuli, such as the environment, Internet and the mass media, can stimulate

¹ According to Eliashberg & Shugan (1997), films are intangible objects consumed for pleasure rather than for the maximization of an economic profit. That is, movie consuming may be induced not by financial profits or utility, but by experiential profits or utility.

creative ideas. According to one of the interviewees, creativity is seen as a competitive element as clients will seek out creative persons, who are usually the most mobile in the industry.

Creativity is very important because there are people who know the craft but if they are not creative enough to do different things, then they will always stay in the same spot.- FF5

Creativity is a competitive thing. When I first started, the industry was not so much creative as it was technical. But I was always trying to outdo the other guys by working faster or do something cleverer and do something more interesting with the machine. There was always this internal competition because you want to be talked of and be the one that the clients are fighting for. Generally the people who are good in their job are the ones who ended up going somewhere else to work. – FFA9

While the interviewees acknowledged the need to cultivate and develop a competency like creativity, the various paradoxes inherent in creativity pose certain challenges to organisational development and change in the firms. We examine five of these paradoxes in turn.

Paradox 1: Self-Sufficiency versus interdependency

Traditionally, creativity is thought of as an attribute of an artist or the arts. This has been endorsed by the definition given of the creative industries by the UK Creative Industries Taskforce (DCMS, 1998) to refer to ‘activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property’. A significant literature on careers in cultural industries recognizes the role played by mavericks (Becker, 1982) and independent creative artists (Caves, 2000).

Creativity comes from within – my experiences, exposure and the things I see around me, read about and the way I see it, where I see it, my point of view and my interpretation. Why is one story different from the other even though it is the same subject done by two different people? This is because no one person sees two things the same way. The movie to me is about perspective. - FF2

Yet, in many instances, the finished products in the cultural economy are the results of a collaborative process that involves many different individuals and specialized operations (Negus, 1996). The findings revealed that collaboration was mainly carried out with foreign partners targeting international markets. The following responses given by interviewees concurred that partnerships provided a number of advantages including achieving additional scale to win larger projects, gaining access to the customer relationships of collaboration partners and supplementing the specialist skills required to win a particular contract.

Collaboration with overseas partners is definitely the way to go. There is no way for an industry like ours to depend totally on the local talents especially the kind of products that we put up that will be sufficiently attractive for big markets to do business with. We

need the global mindset. That is why we always collaborate with people from other cities around the world. – FFA5

Such partnerships open up markets as two parties have access to these markets, pulling together of resources and expertise. The fact that two brains are better than one, probably you are able to come out with a product that is going to appeal to the international market and a lot of these partners are veterans and well known companies in their countries, the animation and film markets. Collaboration means bringing resources together means that you are able to get the products out faster leveraging on the competitive edge of both parties. Such collaboration can bring up the credential and credibility of the Singapore industry. There will be knowledge transfer at the end of the day as both partners will benefit from the knowledge that each of them has - Government Agency 1

An interesting paradox is that there was not enough collaboration amongst local industry players because of the need to compete for funding from various sources. As a result, local filmmakers are very reluctant to talk to each other beyond superficial things for fear that someone else might steal their idea and therefore get the funding for the project.

Singaporean producers tend to be very individual in their approach. The industry players are very guarded about what they know. For instance if they are launching something, everything will be all wrapped up until when the whole project is completed. There is not much transparency about what each of us is doing in the industry. –AFM5

Whereas in Singapore, because the funding sources are so small and the stakes are so high, film makers are very reluctant to talk to each other beyond superficial things as in if someone else might steal your idea and therefore get the funding for the project. – IFMI

Creativity is seen as a social process that is stimulated, fostered, orchestrated or hampered by specific organizational contexts (Amabile, 1988). The close association between creative products and their social conditions of production, where modern cultural-economic systems take the form of complex inter and intra-firm networks, and where many different hands and interests are involved in the process from conception to the finished products (Scott, 2000) accounts for the complexity in the management of creativity. Policies and technology can also present challenges to the fine balance between self-sufficiency and interdependency amongst players in the same industry.

Your creativity is constrained by the expectations of the authorities in that the content produced is very much sheltered. – AF2

Moreover, the contractual and transactional model of production in the creative industries means that employment is often on a part-time, temporary or freelance nature (Scott, 2004). This tends to create instabilities and often results in intensive social networking activities among skilled creative workers in order to keep abreast of current labour market trends and opportunities (Scott, 1998, Christopherson, 2002). In the Singapore film scene, many production

houses engage highly skilled freelancers whose next job depends on their reputation and who rely on a network of connections. This is a process in which trust is an essential element. The unpredictability and uncertainty of the industry further enforces the role of connections in building such a reputation:

This industry, like Hollywood, is all about connections and relationships—who you know, when you can get opportunities and what names you can use to back you up. – AF4

In that regard, creativity has become a broad, fundamental notion that encompasses innovation, entrepreneurship and expression and connotes both the art of giving birth to new ideas and the discipline of sharing and applying those ideas to the stage of realized value” (Collaborative Economics, 2001, p.4). This has fundamental implications for organizational change.

Paradox 2: Individual versus collective identity

Related to the first paradox is the concern of reconciling tensions between the work ethos and identity of the creative workers. The creative workers share a common creative ethos that values creativity, individuality, differences and merit (Florida, 2002). Although some have carved out a career as independent creative artists, there are studies done to support that individual careers in creative industries are built through gatekeepers of talent (agents), reputation (critics) (Giuffre, 1999; Kapsis, 1989; Lang & Lang, 1988) and commercial distributors of creative work (Zuckerman, Kim, Ukanwa & von Rittman, 2003). In many instances, the value contribution of the cultural industries is closely linked to the relationships and networks that enable and sustain the creative process in the cultural economy. At times, firms tagged onto these relationships to establish reputation in the industry. Hence the product value of creative industries is socially and institutionally defined.

Networking is very important as this is a people industry. Networking is carried out online where industry players ‘meet’ on a regular basis to share know-how. Relationship is important in the light of a ‘hunting impact’ meaning that if more people come together as a group, they tend to come across stronger. – FF2

When we mention Nelvana, everybody sits up and notices as Nelvana is a very recognized leader in this industry. So this kind of relationship and networks do draw you this kind of attention – meaning that if you can work with Nelvana, you are good enough to work with anyone – AF9

Jacobs (1969) argues that urban diversity is central to certain kinds of economic creativity because of the specific advantages of unplanned and haphazard, inter-network contact. The dilemma for the creative workers arises over the need to be porous to new influences as well as to retain their own individual identities, the need to stay both local and global (Landry, 2004) and whether to retain an individual or collective career within organizational contexts in the 21st century. In the Singapore film context, this dilemma is most apparent in co-production when a local firm teams up with a foreign partner such that the creative inputs are not necessarily equitable and failure to gain access to partner knowledge and expertise results in unequal

benefits accruing out of such collaboration. In the process, the Singapore firm loses its own identity and subsumes under a dominant partner's identity or takes on a collective identity.

There is also a lack of a distinctive culture that we can call our own such that there is no identity associated with a Singapore-made film. Often when we collaborate with a foreign partner, our creative inputs are not necessarily sought after compared to our technical expertise. - AF 6

Paradox 3: Tangible versus intangible competitive advantage

There is a tendency for cultural production to be increasingly 'commodified', while commodities themselves become increasingly invested with symbolic value (Scott, 2000, p.3). A common denominator of all the creative industries is the aesthetic and symbolic attributes, which are the decisive elements of product and service differentiation and value. Such form of encoded knowledge (Blacker, 1995) resides not only in the arts or media but is a central & increasingly important input into all sectors where design and content form the basis of competitive advantage in the global markets (Flew, 2002). Signals and cues from the environment hone the sensibilities of the key actors and they are integrated into the relational context necessary to maintain their competitiveness (Storper, 1997, p.243). Hence the economic value of cultural goods does not always coincide with the quality of symbolic value which may not be appreciated by the markets. This paradox was addressed by Bourdieu (1993) when he described the emergence of cultural industries and the process of autonomization of the field of arts.

The symbolic and relational aspects associated with the cultural products subject them to a high element of risk, which has become an increasingly endogenous property of the economic system (Storper, 1997). Such endogenous properties of the production system (Scott, 2000) can no longer be subjected to the conventional 'gate keeping' models (Hirsch, 1972) which act as a filtering device in the production system and where some kinds of (exogenously-given) novelties are allowed to pass while others are rejected along the way (Scott, 2000, p.34).

Because of the high risks involved, very few do a project all by themselves. We look for different partners. A lot is based on opportunities and who you know in the industry that can do the kind of work you want get done. One has to look at the capabilities and then balance them up with the business consideration. This is how parties look out for people. Maybe this is the reason why they say that the media industry is a relationship industry. You have to know who can do what, when and where and you have to have a lot of referrals.- AF 4

In the abstract system of anonymous perfect information and frictionless exchange used in many economics and marketing models, there is no need to identify the actors within market-based exchange. The assumption is that the content or value of the product or service is tangible, thus there is no uncertainty. Transaction costs can be ignored or taken as standard and hence the value and tangible quality of the product or service being exchanged will determine the nature of the relationship (Choi, Millar & Wong, 2005). In this sense, there is no social aspect to the relationship. However the creative industries are dominated by the complexities of imperfect competition and exchange based on social structures, personal contacts and relationships. Like in the knowledge-based service industries, such social capital, structure and relational effects (Spender, 1996) are equally important in the creative industries.

The expanding literature on service industries (Kelliher & Riley, 2003; Caruana, Pitt & Ewing, 2003) has raised the importance of such 'inalienable' or 'intangible' assets in the success of organisations. There are also other related issues like the high uncertainty about the demand of these products, the artists caring about (and thus continue to produce) their work independent of its commercial value; and the durability and replicability of cultural goods and property rights (Caves, 2000).

Creativity and what it embodies hold the key to the cultural economy. John Howkins (2001) postulates that people with ideas and those who own them have become more powerful than people who work or own machines (p.ix). He asserts the creative economy will be the dominant economic form in the 21st century. According to Florida (2002), creativity is now the decisive source of competitive advantage in the knowledge economy and the significance lies in attracting creative people and talents to the industry. The bottom line is no longer about productivity (Krugman, 1996) nor Porter's determinants or the availability of resources and skills necessary for competitive advantage in an industry (1990).

Paradox 4: Market versus non-market value

As analysed by Jacobson (1992), dynamic frameworks of competition such as those advocated by the Austrian school of inter-firm competition, have placed a greater emphasis on intangible, invisible assets and the role of unobservable factors. Competition in the creative and cultural industries, broadly speaking has shifted from the "use-value" of products to the "sign-value" of brands and luxury goods (Lash and Urry 1994: 122; du Gay 1997). There is also the question of the generation of economic value and knowledge dissemination within and outside of the industry (DeFillippi & Arthur, 1998). The market regulatory regime, which previously governs competition, accountability and other facets of market operation, would have its limits especially in terms of the risk element (Christopherson, 2002). Very few arts products make money or break even, including products of Hollywood or Broadway, publishers and bookstores, art galleries and design firms (Arthurs & Hodsoll, 1998). Most are funded through grants, gifts and in-kind contributions from the community.

Success in the creative economy is very much based on audience appeal and to the 'name recognition' of the artist or product (Arthurs & Hodsoll, 1998). In that regard, reputation is a fundamental resource that is associated with having a good track record in terms of quality films produced. Having a good reputation carries a lot of weight in attracting good people to the industry and, in many instances, securing funding for the production houses. Therefore, reputation is linked to a good product either in the form of a good script and/or a good director, producer or well-known actor:

This industry revolves around people, and you are judged by your end products. You are as good as your last work, your last film. Definitely reputation and successes lead to clout effects like Stephen Spielberg and Coppola. Star power is therefore the appealing factor because one has the reputation. If you have a reputation, people would watch out for your products. – FFA2

The nebulous and intangible nature of these industries demands different marketing strategies, away from the industrial marketing of the Fordist era. For example, in the film industry, motion picture production has become vertically disintegrated and horizontally (inter-sectorally) integrated, with studios and sub-contractors diversifying into related entertainment

and multimedia industries elsewhere in the city, in the process generating powerful agglomeration economies (Scott, 2000). The 'market-place' needs to be redefined as the web of networks and institutions that create the milieu in which firms work in, evolve and change (Pratt & Gornostaeva, 2005).

The industry is all about marketing. If you have a good marketing strategy, the distributors would come to you. Basically you go to a distributor and start a bidding lob between distributors – this is sure sign that something good is in the making. They usually would pick up the tab where marketing is concerned. Once the distributor is keen to pick up the film, then the marketing part is taken care of. For us, it is creating movies that are easily marketable – FF5

Apart from organizations and institutions, social networks will be a prominent feature of modern day economics. Hozic (2001) perceives that in the film industry, there will be a shift from producer-oriented censorship issues to buyer, or consumer-oriented marketing and issues such as copyright, royalties, and residuals extending from ancillary broadcasting, merchandising or licensing of actors' images or brand names, scripts and screenplays, films and film libraries. The application of business strategy principles and tools would have to adapt to the amorphous nature of the industry in a more complex, dynamic, uncertain environment. There are implications for international business strategies especially in the area of marketing and strategy.

Paradox 5: Local and global governance

The advance of technological change, global competition, workforce mobility and diversity has served to intensify paradox (Lewis, 2000) in the creative economy, as organizations seek to manage and organize creativity, change and plurality in the workplace. Members of the creative class share a common creative ethos that values creativity, individuality, difference and merit. After work, the creative workers want to have interesting and challenging activities available to them. There is a constant struggle to remain porous to new influences and yet be able to retain their identities (Landry, 2004). Porousness could imply reconciling local creativity with transnational power (DeFillippi, 2005) such that large conglomerates and global chain stores with huge financial and distribution networks may take over local operations or the local vernacular (Landry, 2004). It also entails balancing global pressures with local imperatives. For example, Canclini (2000, p. 307) cites the case of the art market which no longer functions as a juxtaposition of national markets but has its own world-wide structure that depends on the ability of its key players (artists, critics, curators, publishers and researchers) to move flexibly between numerous centres on every continent.

Yet, the sense of place and geography remain a strong attraction for the creative workers to reflect upon various influences, energise themselves and remain open to connect with possibilities (2004, p.34). Creative workers look for places that provide a good buzz and a variety of ways to be creative. Storper and Venables (2004) defines 'buzz' as 'a highly efficient technology of communication; a means of overcoming coordination and incentive problems in uncertain environments; a key element of the socialization that in turn allows people to be candidates for membership of 'in-groups' and to stay in such groups; and a direct source of psychological motivation.'

The combined effects of these features are termed 'buzz'. Such 'buzz' places are often associated with globalization, because they are important nodes of highly developed international business and culture networks, with high levels of international travel-and-meeting activity, and high concentrations of both high-skilled and low-skilled immigrants (Storper & Venables, 2004, p.366). A foreign firm based in Singapore laments highly about such a lack of 'buzz' in the Singapore context:

The talented pool is very small. The question is also one of enhancing the buzz of the place – take the lid off the strong stringent rules governing the society. People need to have a choice about what they want.- AF8

These workers are caught in a dilemma of wanting to be in the world but not of the world, in the sense of being connected to the outside yet have boundaries and borders to ground and anchor their identity (Landry, 2004). Organizations of the 21st century will need to change and adapt taking into account such complex effects among workers and organizations.

Implications for Organizational Practices

The above creativity paradoxes demonstrate the incongruity of organizational practices adopted by the creative and cultural industries in which creativity has to be managed. Why then it is important to effectively conceptualize paradoxical phenomena and situations in the creative economies? The fact that the creative and cultural industries are expanding and will continue to play a vital role in the economic agenda of countries marks a discernible but not an absolute change in priorities and practices of different players in the economy. Paradox considerations are becoming significant in understanding pluralism and the processes of organizational change (Eisenhardt, 2000; Poole & Van de Ven, 1989).

On the firm level, the above analysis brought forth questions pertaining to organizational capability in tackling human resource practices, organizational form and structure. For instance, there is a need to cater to specific needs of creative workers yet looking after the needs of business operations oriented workers. The bottom line is not just about productivity and profits. Often artists care about their work independent of its commercial value (Caves, 2000) and the value of the product is attributed to symbolic and relational aspects associated with the cultural products. Hence rewards and motivational systems have to take into account the intrinsic needs of the creative workers. Enhancing innovation has to do with how performance is rewarded (Sutton, 2002). Sutton (2002) argues that instead of just rewarding success and punishing failure, the organization should reward both. This is a dramatic departure from the management practices of most organizations.

At a macro-level, the analysis hinges on issues of governance, business strategy principles and tools needed to adapt to the amorphous nature of the creative and cultural industries. These have implications for policy-makers and international business strategies especially in the area of marketing and strategy. For instance, cultural policy direction worldwide has been influenced by trends and development in the creative and cultural economy. There is a growing preference for supporting industry through infrastructure than through funding programs for small products. Industries are expected to flourish without restrictive regulations, to be internationally competitive and self-sustaining financially (Craik et al., 2003, p. 30). As a result, policy makers are caught in the dilemma of sticking to traditional policy commitments and the realisation that an economic logic does not always work in matters cultural

(Craik, et al., 2003, p.30). The institutional and relational network structure of the cultural industries calls for a redefinition of the market and market place. There will be a shift from producer-oriented issues to distribution and consumer-oriented marketing issues such as copyrights, royalties and merchandising of images or brand names (Hozic, 2001).

Conclusion

The paradox/creativity lenses used above in evaluating the film industry in Singapore highlighted the need for managers to have practical tools to enable them to comprehend and better manage the emerging contradictions and to better fully understand the implications of paradoxical situations (Ofori & Julian, 2004). The value of this paper however lies in the knowledge that paradox considerations are becoming significant in understanding pluralism and the processes of organizational change in the creative and cultural industries.

Organizational and human resource practices have to adapt to the changing workplace and its dynamism without having to 'inhibit cultural and managerial dynamism' (Adams, 1988, p.19). Managers need to have a mind shift in facilitating the organizational context and conditions under which creativity or creative activity thrives.

The distinctive nature of the Singaporean firms means that certain paradoxical considerations examined may be more or less significant in the film industry in other countries. The local setting may limit the generalisability of the findings in a global sense. The trend towards transnational cooperation implies that cultural specificities, along with other mediating factors are unavoidable and at times enabling factors for international success in peripheral countries' export activity (Sinclair et al., 1996, p.20).

The role of technology in the evolution of the industry will become increasingly significant as technology can serve as both an enabler and a threat. The increasing digitization of the film industry will impact on the way firms manage their organization development and change. This might involve the development of differentiation strategies and customer-driven marketing strategies in order to compete for 'eyeballs'² in the industry.

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² This is a term used by industry people to denote the people who go to the cinema to watch a film.

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Appendix 1:

Table 1: List of Production Houses and Profiles of Interviewees

Organisation/ Type	Year started/ No. of employees	Role of Interviewee
Firm 1 Feature Film & Animation (FFA1)	1988 > 150	Producer
Firm 2 Feature Film (FF1)	1998 20	Managing Director
Firm 3 Animation Film (AF1)	1995 30-40 in Singapore 150 in China	Executive Director
Firm 4 Feature Film (FF2)	2000 10-12	Creative Director
Firm 5 Feature Film (FF3)	2002 20-35 (project basis)	Managing Director
Firm 6 Animation Film (AF2)	2001 20	Managing and Creative Director
Firm 7 Feature Film & Animation (FFA2)	2004 2 in Singapore 2 in New Zealand 4 in China 4 in Canada	Director
Firm 8 Feature Film (FF4)	2002 Free lance ranging from 45	Producer
Firm 9 Animation Film (AF3)	2005 2 local staff 3 expatriate staff	Managing Director
Firm 10 Feature Film & Animation (FFA3) (Australian based)	2004 43	General Manager
Firm 11 Feature Film & Animation (FFA4)	2000 7 permanent up to 10 - freelancers	Director
Firm 12 Feature Film & Animation (FFA5)	2006 2 permanent 3 freelancers	Managing Director/Producer

Firm 13 Animation Film (AF4)	1999 4 permanent 40 casual on project basis	Managing Director
Firm 14 Feature Film & Animation (FFA6)	2005 8	Managing Director
Firm 15 Animation Film (AF5)	2004 10	Managing Director
Firm 16 Feature Film & Animation (FFA7)	1997 50	General Manager and Member of Singapore Film Commission
Firm 17 Animation Film (AF6)	2004 7 in Singapore 10 in Thailand	Creative Director
Firm 18 Feature Film & Animation (FFA8)	1996 15	Creative Director
Firm 19 Animation Film (AF7)	1999 3-4 permanent 25 contract animators	Business Development & Operations Manager
Firm 20 Feature Film (FF5)	1998 7	Production Manager
Firm 21 Feature Film & Animation (FFA9) (Australian based)	2004 20	Director of Creative Services
Firm 22 Animation Film (AF8) (American based)	Sales office since 1995/1996 Development Studio from Dec 2005 >30 staff from all over the world including Korea, Japan, Taiwan, Singapore, Holland, Mauritius, Philippines and Canada	Director (Operations/ Localisation)
Firm 23 Animation Film (AF9)	1997 5	Director
Firm 24 Supplier of Technology	2000 20	Director of Sales and Marketing
Independent Film (IF 1)	2002 > 50 (Project basis)	Producer and Director
Independent Film (IF 2)		Independent Film Maker
Government Institution 1 Government Institution 2	2003	Assistant Director

		Director
Government Institution 3	1961	Senior Officer
Government Training Institution	1989	Course Manager/Lecturer School of Film and Media Studies
Commercial Training Institution	2003	Managing Director and President of the Independent Television Production Companies (AIPRO)
Independent Arts Centre 1	1990	Artistic Co-Director
Government Cultural Institution	1887	Assistant Manager for Programming
Cinema Exhibitor and Distributor	1992	Managing Director
Independent International Short Film Distributor 1	2002 4	Manager